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Meeting convened under article 40, paragraph 3,
of the International Sugar Agreement, 1992
London, 20 January 1993

Report of the Chairman of the Meeting

1. The Secretary-General of UNCTAD, acting on behalf of the Secretary-General of the United Nations, invited, in accordance with article 40, paragraph 3, of the International Sugar Agreement, 1992, those Governments which had deposited instruments of ratification, acceptance or approval, or had notified the depositary that they would apply the Agreement provisionally, to meet on Wednesday, 20 January 1993 and to decide whether to put the Agreement into force provisionally or definitively among themselves, in whole or in part.

2. The Meeting was held at Cabot Hall, Canary Wharf, London on Wednesday, 20 January 1993.

3. The following parties to the Agreement were represented at the Meeting: Argentina, Australia, Barbados, Brazil, Colombia, Cuba, Dominican Republic, European Economic Community, Fiji, Finland, Guyana, Hungary, India, Jamaica, Japan, Mauritius, Panama, South Africa, Swaziland, Switzerland and Thailand. The following States signatories of the Agreement were represented by observers: Austria, Republic of Korea, Sweden, Trinidad and Tobago, and Zambia. The following other States were represented by observers: Belize, Bolivia, Indonesia, Malawi, Mexico, Philippines, Russian Federation, United States of America and Zimbabwe. The following intergovernmental organizations were represented by observers: Food and Agriculture Organization of the United Nations, International Monetary Fund, World Bank, General Agreement on Tariffs and Trade, and GEPLACEA.

4. The Chairman of the Meeting was Mr. C. Greenhill, Deputy Director, Commodities Division, UNCTAD.

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5. The Chairman welcomed the participants on behalf of the Secretary-General of UNCTAD, who had convened the meeting taking into account the request of the International Sugar Council at its 13th session in November 1992 with regard to the entry into force of the International Sugar Agreement, 1992. He recalled that the Agreement had not automatically entered into force on 1 January 1993, the date set out in Article 40. In consequence, the meeting had been called pursuant to paragraph 3 of Article 40 by the Secretary-General of UNCTAD, acting on behalf of the Secretary-General of the United Nations (who is the depositary of the 1992 International Sugar Agreement). Those Governments on whose behalf instruments of ratification, acceptance or approval or notifications of provisional application had been deposited had been invited to the meeting to decide whether the Agreement should enter into force definitively or provisionally among themselves, in whole or in part, and the date on which this should happen.

6. He then summarized the action taken so far by the signatories to the Agreement. For the Agreement to have entered automatically into force provisionally or definitively, it was necessary that Governments holding 60 per cent of the votes, in accordance with the distribution established in the annex to the Agreement, to have deposited instruments by 31 December 1992. In the event, only 15 - namely, Argentina, Australia, Colombia, Cuba, European Economic Community, Fiji, Finland, Guyana, Japan, Mauritius, Panama, South Africa, Swaziland, Switzerland and Thailand - had taken such action. They together accounted for only 51.65 per cent of the total votes, namely 1033 out of 2000. So far in 1993, Barbados, Brazil, Dominican Republic, Hungary, India, and Jamaica had lodged instruments with the depositary and the percentage of votes counting towards the entry into force of the new Agreement was 60.45 per cent. Four other countries - Austria, Guatemala, Republic of Korea and Sweden - had signed but not lodged instruments with the depositary; they accounted for 104 votes or 5.2 per cent. In addition, two other Governments, Trinidad and Tobago and Zambia, had signed the Agreement; they were not included in the annex to the Agreement as they had not participated in the United Nations Conference held in March 1992, and hence no votes had been allocated to them. A synoptic table showing the action taken by each country is annexed to this report (cf. annex II).

7. The Chairman pointed out that another important aspect which Governments needed to take into account was the question of States which had indicated their intention to accede to the Agreement once it entered into force. In reply to this remark, the Executive Director of the International Sugar Organization informed the participants of developments in this regard. Ukraine had requested the International Sugar Council to establish conditions for accession to the Agreement. Belarus, Saudi Arabia and Syrian Arab Republic had requested information about the Agreement. The Chairman then opened the floor to participants and observers who wished to present information on their Government's intention regarding the entry into force of the Agreement.

8. The representative of Sweden said that her country had been one of the first States to sign the Agreement, thereby indicating its intention to become a party. However, owing to internal procedures, Sweden had not yet ratified. The formal decision of her Government was to be taken on 21 January 1993, whereafter the Agreement would be ratified by fax communication to the depositary and the original instrument would be deposited as soon as possible. Consequently, Sweden would be a party to the Agreement as of 21 January 1993.

9. The representative of Cuba noted with great satisfaction that 21 countries representing 60.45 per cent of the votes were now parties to the Agreement. This was very encouraging. He called on countries which had participated in the 1987 Agreement, but which had not yet become parties to the 1992 Agreement, to complete their constitutional procedures as soon as possible. He hoped that other countries which had not participated in the earlier Agreement would decide to join the 1992 Agreement. Such action would enhance international cooperation in the field of sugar. His country would continue to cooperate with other countries in order to make the International Sugar Organization a more efficient organization.

10. The representative of Japan noted with appreciation that countries representing 60.45 per cent of the votes were now parties to the 1992 Agreement. He urged countries that had signed the Agreement, but had not yet submitted the required instrument, to do so as quickly as possible, as only a large number of participating governments would ensure the financial viability of the organization. In reply to a question by the same representative, the Executive Director of the International Sugar Organization drew attention to the document Memo (93)9 which contained a cash flow statement of the Organization. He found it encouraging that all those countries that had become parties and those countries that were planning to become parties to the 1992 Agreement were the ones that paid regularly their contributions to the budget of the Organization.

11. The representative of Switzerland said that the decision of his Government to participate in the 1992 Agreement was subject to two requirements. First, the membership of the Organization should be representative of the sugar industry. He noted with satisfaction that countries representing 60.45 per cent of the votes had already become members of the Organization. Secondly, the Organization should have a sound financial basis. In this connection, he welcomed the statement of the Executive Director.

12. The Chairman then drew attention to the text of a draft decision prepared by the UNCTAD secretariat. He called on the representatives of the parties to the Agreement to indicate individually their concurrence with the decision. Following this, the Meeting adopted the decision unanimously. The text of the decision is annexed to this report (cf. annex I).

14. Closing the proceedings, the Chairman said that the UNCTAD secretariat would inform the depositary of the Agreement of the decision adopted by the meeting.

Annex I

DECISION

The Governments of the States, and the intergovernmental organization, listed in the annex to the present decision,

Having met in London on 20 January 1993,

Noting the declarations of countries which have signed the 1992 Agreement but have not as yet completed their other constitutional requirements, that they intend to apply the Agreement provisionally upon its entry into force,

Recognizing that the target for the automatic entry into force of the Agreement of 60 per cent of the votes as distributed in the annex to the Agreement has been exceeded,

Acting pursuant to Article 40, paragraph 3, of the International Sugar Agreement, 1992,

Decide to put the International Sugar Agreement, 1992, into force provisionally among themselves in whole as of 20 January 1993.

Annex

Argentina
Australia
Barbados
Brazil
Colombia
Cuba
Dominican Republic
European Economic Community
Fiji
Finland
Guyana
Hungary
India
Jamaica
Japan
Mauritius
Panama
South Africa
Swaziland
Switzerland
Thailand

20 January 1993

Annex II

Status of action as at 19 January 1993 regarding the International Sugar Agreement, 1992

As listed in annex to the Agreement	Nature of action	Date of action	Votes counting towards entry into force	Votes of those having signed
Argentina	Signed & provisional application	29.12.92	22	
Australia	Signed & ratified	24.12.92	117	
Austria	Signed	29.12.92		14
Barbados	Signed & provisional application (ratified 20.01.93)	31.12.92 & 19.01.93	6	
Belize				
Bolivia				
Brazil	Signed & provisional application	30.12.92 & 19.01.93	94	
Colombia	Signed & provisional application	31.12.92	18	
Congo				
Costa Rica				
Cuba	Provisional application	3.11.92	151	
Dominican Republic	Signed & provisional application	25.11.92 & 19.01.93	23	
Ecuador				
El Salvador				
EEC	Signature & approval	20.11.92	332	
Fiji	Signed & ratified	4.12.92 & 21.12.92	12	
Finland	Signed & provisional application	22.12.92	16	
Guatemala	Signed	31.12.92		16
Guyana	Signed & ratified	24.12.92	6	
Honduras				
Hungary	Signed & provisional application	31.12.92 & 19.01.93	9	
India	Provisional application (ratified 20.01.93)	19.01.93	38	
Jamaica	Signed & provisional application	23.12.92 & 18.01.93	6	
Japan	Signed & accepted	29.12.92	176	
Korea, Republic of	Signed	23.12.92		59
Malawi				
Mauritius	Signed & ratified	18.12.92	15	
Mexico				
Nicaragua				
Norway				
Panama	Signed & provisional application	23.12.92	6	
Papua New Guinea				
Peru				
Philippines				
Russian Federation				
South Africa	Signed & ratified	22.12.92	46	
Swaziland	Signed & ratified	23.12.92	13	
Sweden	Signed (ratified 21.01.93)	18.12.92		15
Switzerland	Signed & provisional application	30.12.92	18	
Thailand	Signed & provisional application	30.12.92	85	
Uruguay				
Zimbabwe				

Non-Members of the 1987 Agreement who did not participate in the 1992 Conference

Trinidad & Tobago	Signed	31.12.92	--	--
Zambia	Signed	31.12.92	--	--
			1209	104
			(60.45%)	(5.2%)